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D. T. E. 00-109

Petition of Massachusetts Electric Company and Nantucket Electric Company for approval of a Rate Reconciliation and Adjustment filing.

APPEARANCE: Thomas G. Robinson, Esq.

National Grid, USA

25 Research Drive

Westborough, Massachusetts 01582-0099

FOR: MASSACHUSETTS ELECTRIC COMPANY

NANTUCKET ELECTRIC COMPANY

Petitioner

I. INTRODUCTION

On December 1, 2000, pursuant to settlement agreements approved by the Department of Telecommunications and Energy ("Department") in Massachusetts Electric Company, D.P.U./D.T.E. 96-25 (1996), and Nantucket Electric Company, D.P.U./D.T.E. 97-94 (1998), Massachusetts Electric Company and Nantucket Electric Company (collectively, "MECo" or "Company") filed its rate reconciliation and adjustment filing for calendar year 2001. Included in this filing are rate adjustments for the Company's default service adjustment factor, transition service charge, demand side management charge, renewables charge, and standard offer adjustment factor. The Company proposed that the tariff adjustments go into effect

January 1, 2001. The Department docketed the filing as D.T.E. 00-109. The Company's last reconciliation filing, D.T.E. 99-111, was approved subject to further investigation.

On December 13, 2000, the Department issued a Notice requesting comments on the Company's proposed rate adjustments and reconciliation for 2001. Notice was issued to all the participants in D.P.U./D.T.E. 96-25 (1996) and D.T.E. 99-111. On December 21, 2000, the Department received comments from the Attorney General of the Commonwealth. On December 19, 2000, the Department received the Company's responses to the Department's information requests.

According to the Company, the rate adjustments affect MECo's standard offer service, default service adjustment, transmission service, demand-side management, renewables, and transition charges. The Company also proposed to terminate certain

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interruptible and economic development tariffs. These rate schedules and provisions were closed to customers effective February 26, 1997, and are scheduled to terminate as provided by the Company's Restructuring Settlement (Company Filing, T.M. Burns Testimony at 29-30). (1)

The Department determines that further investigation is necessary into this filing. The Department finds, however, that the tariffs filed by the Company on December 1, 2000, for service on and after January 1, 2001, are in compliance with Department precedent(2) and, therefore, allowance is in the public interest. The rate changes are subject to reconciliation pursuant to the Department's ongoing investigation.

II. ORDER

After due notice and consideration, it is

ORDERED: That the tariffs filed by Massachusetts Electric Company with the

Department on December 1, 2000, M.D.T.E. Nos. 1042 through and including 1047, are ALLOWED; and it is

FURTHER ORDERED: That the tariffs filed by Nantucket Electric Company with

the Department on December 1, 2000, M.D.T.E. Nos. 452 through and including 457, are ALLOWED; and it is

FURTHER ORDERED: That the rate changes for Massachusetts Electric Company and Nantucket Electric Company are ALLOWED subject to reconciliation pursuant to the Department's investigation; and it is

FURTHER ORDERED: That Massachusetts Electric Company and Nantucket Electric Company comply with any and all other directives contained in this Order.

By Order of the Department,

James Connelly, Chairman

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

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Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner

1. In its annual filing, the Company also proposed to redesign certain of its tariffs in a revenue-neutral manner; the Company subsequently withdrew this proposal (Company Response to Information Request DTE 1-1).

2. Massachusetts Electric Company, D.T.E. 99-111 (December 17, 1999 Letter); Standard Offer Service Fuel Adjustments, D.T.E. 00-66, 00-67, 00-70 (December 4, 2000 Letter Order).